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ABSTRACT

Portland, Oregon, employers approached by Work Incentive Program (WIN) clients were surveyed to determine their reactions to various components of the voucher on-the-job training (OJT) program, to identify the types of employing organizations that were likely to be receptive to vouchered OJT, to assess the actual functioning of the voucher system with respect to client/employer negotiation, and to describe some of the general orientations of employers toward WIN voucher recipients. Data collected during interviews of sixty-five employers indicated that the respondents were moderately supportive of the WIN voucher OJT program carried out in Portland. These employers seemed willing to accept the legitimacy of the vouchering concept and to believe that WIN clients were capable of making informed occupation and employment setting choices. With regard to client autonomy, employers seemed to prefer some sort of WIN screening in advance of their contact with the voucher OJT clients. There were few significant differences in the orientations of those respondents who hired voucher OJT clients and those who did not hire. Where differences did occur, they seemed to be a function of the organizational characteristics of the employer's firm. The largest firms were the least receptive to hiring voucher OJT clients while the smallest firms were the most receptive. (EM)

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EMPLOYERS' RESPONSES TO VOUCHERED ON-THE-JOB TRAINING IN THE PORTLAND WIN PROGRAM*

by

John C. Weidman

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EMPLOYERS' RESPONSES TO VOUCHERED ON-THE-JOB TRAINING IN THE PORTLAND WIN PROGRAM

During the period from 1974 through 1976, a program to test the feasibility of vouchering manpower training was incorporated into the Portland, Oregon, Work Incentive Program (WIN). This research and demonstration project, funded by the Employment and Training Administration of the U.S. Department of Labor, was designed and evaluated by the Bureau of Social Science Research (BSSR). The first phase involved vouchering of institutionally-based training (e.g., in vocational schools, both public and private), and the second phase involved vouchering of on-the-job training (OJT). The research in each phase included data collection from both WIN clients and training "vendors" (training institutions or OJT employers).

The present study contains results from the survey of OJT employers approached by WIN clients, and is part of a series reporting results from the evaluation of all phases in the Portland WIN voucher program.[1] The purpose of this aspect of the evaluation was to determine employers' reactions to various components of the voucher OJT program, to identify the types of employing organizations that were likely to be receptive to vouchered OJT, to assess the actual functioning of the voucher system with respect to client/employer negotiation (BSSR designed the program, but had no control over or direct influence on its implementation), and to describe some of the general orientations of employers toward WIN voucher recipients.

In the next section of this study, brief descriptions of the WIN program and of the Portland research and demonstration project are presented to set the basic context within which this study is located.

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[1] The basic design for and implementation of each phase are described in Richardson and Sharp (1974, 1975). Findings from the surveys of institutional training clients and vendors are reported in Dunning (1976a, 1976b, 1977), Dunning and Unger (1975), and Mosher (1977). Studies of OJT clients are reported in Dunning (1978) and Myint (1978). A summary of findings from the training segment of both phases is reported in Richardson (1977). A critical assessment of the problems involved in the design, implementation, and execution of the program can be found in Greenhouse (1977). For a comprehensive review of research dealing with other WIN programs, see Goodwin (1977).

WIN and the Voucher OJT Experiment in Portland

The following is a general description of the WIN program:

> The Work Incentive (WIN) Program, authorized by amendments to title IV of the Social Security Act, is designed to help employable welfare recipients find jobs and thereby achieve economic independence. The program is jointly operated by the Departments of Labor and Health, Education, and Welfare.
>
> All applicants for and recipients of Aid to Families with Dependent Children (AFDC) who are 16 years of age or older are required to register for WIN as a condition of eligibility for AFDC, unless legally exempt by reason of health, incapacity, home responsibility, advanced age, student status, or geographic location. WIN registrants who need no social services or have been provided with needed services are required to accept appropriate employment or preparation for employment, when offered, as a condition of continued AFDC eligibility (Employment and Training Report of the President, 1977: 58).

AFDC recipients who would otherwise be legally exempt from WIN registration (e.g., welfare mothers with children under six who want work or training) may also participate voluntarily. In fact, during Fiscal Year 1976, twenty percent of all WIN registrants were voluntary. Another aspect of the WIN Program is that it is "the only employment and training program that serves welfare recipients exclusively" (Employment and Training Report of the President, 1977: 58-59).

Design of the Portland Voucher OJT Program

During the period when the voucher experiment was in effect (approximately one year, ending in the spring of 1976), the WIN program in Portland utilized a team approach which involved a counselor, a manpower training specialist, a job developer or job coach, and a social worker. It was oriented toward the individual needs and requirements of each client; accordingly, an "employability plan" was prepared for each enrollee. Although the emphasis was on immediate job placement, the program was designed to be flexible and to make available to each trainee (unless s/he was determined to be job-ready at the time of enrollment) a

series of components including, among others, orientation, counseling, basic education, institutional training, work experience, and on-the-job training.

In Portland, the experimental voucher OJT program designed by BSSR was established alongside the already existing "regular" WIN OJT program and operated under the following rules:

Client Eligibility

All WIN participants are eligible to receive OJT vouchers if they wish. This includes new WIN clients involved in another WIN component (when they complete it); and clients who are referred by the Public Welfare Division for WIN re-appraisal.

Occupations for which the Voucher May be Used

Generally, vouchers may be used for OJT in any occupation. There are, however, certain restrictions on the occupations for which clients may receive OJT in current WIN II regulations. As is normally the case for "regular" OJT (ROJT), vouchers may not be used for employment in any of the following occupations:

those dependent on a commission as the primary source of income;

sewing machine operators in the garment and apparel industry (SIC 2300);

bartenders;

those which have an intermittent seasonal employment pattern;

professions which require licenses; or

those which do not require specific training as a prerequisite to employment, or for which fewer than four week's training is required.

In addition, OJT vouchers may not be used for jobs for which the starting wage rate is less than $2.40 per hour.

Employer Eligibility

Subject to the exceptions below, vouchers may be committed to any public or private employer in the Oregon portion of the Portland metropolitan area who is authorized to do business in the jurisdiction. A voucher may not be committed in any of the following situations:

more than one-fourth of the employer's work force are OJT employees;

an employer is listed in the Department of Labor's "Joint Consolidated List of Debarred, Ineligible, and Suspended Contractors";

an employer is currently struck or has locked out his employees; or

an employer has defaulted on a previous vouchered OJT contract.

Length of Training and OJT Wage Rate

Voucher clients are entitled to up to one year of training, at a starting pay rate of at least $2.40 per hour. As is normally the case for OJT in WIN, the length of training is a partial function of the skill level of the job in question, as measured by the sum of the three "worker trait" digits in the Dictionary of Occupational Titles code for the occupation. [This length-of-training criterion defines a maximum length of training associated with any given occupation. The sum of the DOT digits is translated (inversely) into a number of training days, which ranges from four to 44 weeks. For details, see U.S. Department of Labor, Manpower Administration, Work Incentive Program Jobs Optional Program Handbook (1972: III-17 and 18).] In order to allow a bit more flexibility in the permissable length of training, proposed contracts which specify a training period up to eight weeks above the DOT-based criterion (called DOT+8 in this report) are acceptable without special review, so long as the training will not last for more than one year, nor the total cost to WIN will be in excess of $3,800 (see below). Proposals for longer or more expensive training are subject to special review in the state and regional WIN offices.

The length of a vouchered OJT (VOJT) contract, together with the hourly pay rate, are determined by the employer and the client, together, taking into account the skill requirements of the occupation as it is practiced in the particular establishment in question, and the client's initial preparation for the work. . .

Payments, Subsidies, and Allowances

Employers are reimbursed for the costs of training. The maximum reimbursement is calculated by the formula currently in use for ROJT: 1/2 the product of the wage rate and the total number of hours of training in the contract. WIN also reimburses the employer for one hundred percent of time which the client spends away from work in job-related training classes . . .

. . .during the search for work. . . clients receive payments for transportation and lunch expenses (up to $2.50 per day. . .)

Training Plan Review Procedures

A plan may be rejected by the appropriate state WIN administrator if it involves an ineligible employer, or if it will require more than one year to complete.

A plan is reviewed if it will exceed a cost to WIN of $3,800. This figure includes reimbursement of the employer for training costs, but not the cost of child care and other services of the Special Administrative Unit (SAU), nor of the training-related allowances described above (Richardson and Sharp, 1975: 2-6).

There was an additional financial incentive for hiring WIN OJT clients available to prospective employers in the private sector, namely, the WIN tax credit equal to twenty percent of the wages and salaries paid for the first twelve months of employment. This tax credit could be taken in

addition to the compensation for training costs (U.S. Department of Labor, Manpower Administration, 1975).

Comparisons of the Regular and Voucher OJT Programs

The regular and voucher WIN OJT programs in Portland were virtually identical with respect to the types of jobs and employers for which clients were eligible. Voucher OJT clients could have somewhat longer training periods (up to a year, instead of ten months) and, hence, also could have somewhat higher total training costs. Voucher OJT clients were also given a $2.50 per day job search allowance.

The primary differences occurred with respect to the role of the WIN client in choosing an occupation, locating and approaching an employer who would provide OJT, and negotiating the training contract with the employer. Under regular OJT, the client and his job counselor jointly decide on the training occupation, presumably taking into account the client's qualifications, interests, needs, etc. In fact, it is likely that the counselor's recommendations are heavily influenced by what he knows of the job market and by the particular resources he commands (e.g., the employers with whom he is familiar, usually those who have accepted trainees in the past or who have indicated interest in recruiting trainees; or opportunities which show up on the job bank). The job developer, with the client's agreement, does all pre-placement screening, contacts employers, sets up appointments for his clients, makes sure that they keep the appointment (sometimes to the point of escorting a client, if necessary), and negotiates with the employers the details of the training contract (primarily length of training and wage). The use of the Job Bank by WIN staff for locating employers of "regular" OJT clients, described in the following, illustrates the ways in which staff intervention in the placement process is virtually required:

> . . .Job Bank listings are blind with respect to employer and address, so are of no direct value to the client; employers may (and do) specify that applicants be screened by the Job Developer before referral; and clients may not approach an employer about a job listing without a referral, which must be obtained from a staff member (who must screen, call to make appointments, call to describe the applicant, or whatever similar intercession is specified by the employer) (Richardson and Sharp, 1975: 10).

Under the voucher OJT program, the WIN staff function changes radically. The WIN counselor is available to give any requested assistance to the clients during this job search and employer-client negotiation process in such areas as: (a) providing occupational and labor market information; (b) assisting clients with self-assessments of vocational interests and abilities; and (c) advising clients about strategies for seeking and obtaining OJT from employers. But the client presumably uses these inputs to make a final occupational decision, locate an employer, and set up his own plan for approaching the employer (telephone, walk-in, use of a friend as an intermediary, etc.). If the voucher OJT client is hired as a trainee s/he negotiates directly with the employer the length of training and the wage. Although for reasons of fiduciary control the Job Developer had to write the final contract for the voucher client, this was to be a bureaucratic formality, rather than a negotiation.

Anticipated Consequences of Vouchered OJT

Drawing from a seminal study dealing with the motivation of poor people to work (Goodwin, 1972) and from a discussion of the benefits resulting from providing clients directly with the financial resources necessary for purchasing training (Marshall, 1970), it was anticipated that the vouchering of OJT would have important consequences for both the client and the employer. Although there would probably be some drawbacks for the client (especially losing access to the job developer's direct intervention in the placement process), these were expected to be offset by several advantages. For example, there would be no prejudgement of employment or channeling of the client into "tried and true" slots. Hence, the WIN client would presumably be able to have both a wider range of occupational choice and a greater opportunity to pursue OJT in an area to which the client was personally committed. By tapping into familiar networks of job resources (e.g., employers in the neighborhood, friends, relatives, etc.), the voucher OJT client would possibly be able to uncover suitable employers close to home or that had other employees with whom s/he was acquainted.

For the employer, the main advantage would be a more highly motivated recruit, since the voucher OJT client would presumably have

chosen a slct most compatible with personal occupational aspirations and other desiderata such as location and congenial co-workers. Also, for some employers voucher OJT might provide an initial exposure to the program and alert them to the financial benefits available for hiring OJT clients. This would probably be of particular importance for small employers not previously contacted by job developers who tend to concentrate quite naturally on larger firms where there are likely to be larger numbers of slots.

Of course, against these advantages for the employer must be stacked the very real service that screening by job developers renders. For the employer, vouchering would result in having to screen the client directly, without WIN acting as intermediary familiar with the employer's needs and preferences, thereby resulting in having both more applicants and a greater proportion of unqualified applicants to interview.

As part of the feasibility study of WIN OJT vouchering, interviews were conducted in April of 1976 with a group of employers who, according to client reports, had been approached by voucher recipients for OJT. In the following sections of this report, the findings from the employer survey are presented.

Survey Design

Employers contacted by clients were identified in two ways. First, WIN staff members asked clients to list employer contacts when the clients came to the WIN office to pick up their special "job search" stipends. Clients were not, however, required to report directly to a WIN staff member on their search activities; clients who wished to do so could also leave a list of employer contacts in a box provided for that purpose in the WIN office. Since this client reporting process was both not mandatory and virtually impossible to monitor, the list of employers derived in this way was by no means complete. From the employers listed, quotas by Standard Industrial Classification (SIC) code of the employer's enterprise were established on a simple proportional basis, i.e., according to the proportion of employers within each SIC code in the total group of employers identified. Within each

SIC classification, employers were selected at random to yield a total group of sixty employers from whom interviews were sought. The second way of identifying employers was from the list of all employers who completed a VOJT contract. There were sixty-five employers in this group.

Though 125 employers comprised the group originally intended to be interviewed, eventually interviews were completed with only eighty-nine employers. One reason for the reduced number of interviews was a project requirement that clients with voucher OJT jobs give permission to the research staff for interviewing their employers. In some instances, voucher OJT clients refused to give permission. More often, permission was never obtained due to the staff's inability to contact clients (e.g., no response to phone calls and/or letters). In those instances where client permission was not obtained, employers were interviewed about everything except the individual client. A second reason for the reduced number of interviews was the limited cooperation by some employers. For example, in one instance an appointment for an interview could not be arranged within the time allotted because the relevant respondent was out of town for several weeks. Another employer had no recollection of any contact with a voucher client, and wasn't interested in being interviewed "anyway."

In sum, the survey results are constrained by the fact that the group of employers ultimately interviewed were not selected on a scientific basis, but are rather a "sample of convenience." Given the exploratory nature of the program, that a range of SIC groups are represented rather than a very constricted subset provides some basis for making at least preliminary generalizations about employer responses to vouchered OJT. It is interesting to note that, among respondents, almost half (42%) did not remember interviewing a voucher client, even though the nature of the employer selection process virtually assured that a voucher client/employer encounter had occurred. Of course, it is always possible that the voucher client was mistaken or that the client saw a person in the firm other than the survey respondent. It is also possible that, during their initial job inquiries, some voucher clients did not disclose their participation in this quasi-experimental program. Furthermore, it is understandable that employer's who did not hire voucher OJT clients might not remember those contacts. Of those employers who

remembered clients, the bulk (84%) interviewed only one voucher OJT client; although one respondent reported interviewing eight clients.

Table 1 shows the distribution of respondents by the industry represented and the size (number of full-time employees) of the firm. Since there was considerable variability in the size of firms represented, number of full-time employees is divided into three categories. The range of sizes represented by the interviewed employers went from one firm with only one full-time employee to one firm with 4,500 employees.

Table 2 shows the position of the employer respondent by the size of the firm represented. As can be seen from this table, respondents from the smallest and, to a lesser extent, from medium sized firms tended to be the owner or president while those from the largest firms tended to be the head of personnel.

While only forty (45%) of the respondents had hired vouhcher OJT clients, eighty-one (91%) indicated that they had had some experience with subsidized OJT. Males and females were equally represented among the forty voucher OJT clients hired by these employers, and only six (17%) of the thirty-six clients for whom race was known were nonwhite. It should be noted here that the race and sex composition of the Portland WIN program's clients, while reflecting the characteristics of the eligible AFDC recipients in the Portland metropolitan area, does differ significantly from that for WIN registrants nationally: In the 1976 Fiscal Year, 27 percent were male and 45 percent were nonwhite (Employment and Training Report of the President, 1977: 59).

TABLE 1

DISTRIBUTION OF EMPLOYER RESPONDENTS BY INDUSTRY AND SIZE OF FIRM

Number of Full Time Employees	Employer's Industry (SIC Code)[a]											
	Agricultural Services	Construction	Manufacturing	Manufacturing	Transportation	Wholesale, Retail Trade	Automotive	Finance, Insurance, Real Estate	Services	Medical	Government	Total
	(07)	(1)	(2)	(3)	(4)	(5)	(55)	(6)	(7)	(8)	(9)	
1 - 10	-	3	2	-	-	4	4	1	9	5	-	28
11 - 50	2	2	-	3	-	5	14	3	2	4	-	35
51+	-	-	2	5	1	7	2	4	1	3	1	26
Total	2	5	4	8	1	16	20	8	12	12	1	

[a]SIC codes are from the Standard Industrial Classification Manual, 1972 (Washington, D.C.: U.S. Government Printing Office). The one-digit codes are the ten's digit of the normal SIC two-digit codes, and each one-digit code except (5) includes all codes within the two-digit codes starting with that digit, e.g., (1) includes all codes between 10 and 19. The "Wholesale, Retail Trade (5)" group includes codes 50 to 54 and codes 56 to 59. The two-digit codes (07,55) refer to specific industry groups within the larger SIC category to which they belong. The "Manufacturing (2)" group includes wearing apparel, printing, food, and lumber products; "Manufacturing (3)" includes transportation equipment, electronics, glass, and metal products.

TABLE 2

POSTION OF RESPONDENT BY SIZE OF FIRM
(In Percentages)

	Number of Full-time Employees		
Position of Respondent	1-10	11-50	51+
Owner, President	78.6	42.9	15.4
Head of Personnel	7.1	8.6	46.2
Vice-President, Business Manager	3.6	5.7	11.5
Assistant	10.7	42.8	26.9
(N)	(28)	(35)	(26)

Employers' Perspectives on Vouchered OJT

In the first part of this section, the characteristics of firms which hired and did not hire voucher OJT clients are compared according to the type of industry represented, the size of the firm, and the number of subsidized employees hired by the firm in 1975. This information provides some indication of the receptivity of various types of employers to the hiring of voucher OJT clients.

The second section deals with the relationship between employers' perceptions of two financial incentives, tax credit and salary reimbursement, and the hiring of voucher OJT clients. In the third section, the relationships among employers' assessments of the vouchering process, the role of the WIN agency in that process, their confidence in the ability of voucher clients to make appropriate career and employer choices, and the hiring of voucher OJT clients are discussed.

Finally, in the concluding part of this section, some interesting findings concerning the different orientations and contract negotiation practices of hiring employers by sex of the voucher OJT client are presented. It should be noted that the numbers of cases on which tabular percentages are based are not the same in every table. This occurs because every employer respondent did not answer each question. Consequently, each table included only those employer respondents who actually answered both questions included in the table. It would have been desirable

to include some three-question tables, but the number of respondents was so small that table including three questions would have had some cells with only a few (if any) cases. Since such tables are uninterpretable, there are no three-question tables included in this report.

Types of Firms Hiring Voucher OJT Clients

Table 3 shows the hiring of voucher OJT clients by this survey's respondent employers according to their firm's industrial group.

TABLE 3

HIRING OF VOUCHER OJT CLIENTS BY INDUSTRY GROUP[a]
(In Percentages)

Hired Voucher OJT Client	Employer's Industry (SIC CODE)[a]			
	Manufacturing(3), Medical (8), Government(9)	Agriculture(07) Manufacturing(2), Finance(6), Service (7)	Wholesale, Retail Trade(5)	Transportation (4), Construction(1), Automotive(55)
Yes	72.7	50.0	40.0	20.0
No	27.3	50.0	60.0	80.0
(N)	(22)	(26)	(15)	(25)

[a]All industries within each of the four groups had roughly equivalent hiring ratios.

[b]See note to Table 1 for explanation of SIC codes.

It is quite striking that manufacturing (SIC code 3, including transportation equipment, electronics, glass and metal products), medical, and governmental employers were more than three times more likely to hire voucher OJT clients than were transportation, construction, and automotive (including service stations, auto and tire dealers, etc.) firms. It is understandable that hiring would be high among the medical and governmental employers, since they are predominantly in the public sector, but it is difficult to comprehend why there would be such a marked imbalance between the manufacturing (SIC code 3) firms and the group including transportation, construction, and automotive firms.

Perhaps this imbalance is a function of stronger labor union influence in the latter firms that results in more stringent (e.g., training and apprenticeships longer than a year's duration) requirements for entry into jobs such as auto repair, equipment operation, or construction trades.

One might speculate that larger firms might be more likely than smaller firms to hire voucher OJT clients, since such employers presumably have more vacant spots at any given time as well as more ongoing relationships with the Employerment Service and manpower programs. According to Table 4, however, there is an inverse relationship between size of firm and hiring of voucher OJT clients, since the smallest firms (1-10 full-time employees) were more than twice as likely to hire than were the largest (51 or more full-time employees) firms.

TABLE 4

HIRING OF VOUCHER OJT CLIENTS BY SIZE OF FIRM
(In Percentages)

Hired Voucher OJT Client	Number of Full-time Employees		
	1-10	11-50	51+
Yes	67.8	38.2	26.9
No	32.1	61.8	73.1
(N)	(28)	(34)	(26)

Another way of looking at the relationship between size of the firm and hiring of voucher OJT clients is to look at number of government subsidized employees hired during 1975 as the measure of size, since the largest firms will, presumably, also hire the largest numbers of subsidized employees. Table 5 shows that this is not an accurate assumption. The largest firms were much more likely to have hired no subsidized employees in 1975 than were small and medium-sized firms. As it turns out, firms that hired only one subsidized employee in 1975 were the most likely to hire voucher OJT clients (Table 6). Taken together, Tables 5 and 6 suggest that the most receptive firms to the hiring of voucher OJT clients among this group of employers in Portland were the ones which hired only one

subsidized employee (the WIN voucher OJT client) in 1975 and which also tended to be the smaller firms.

TABLE 5

SUBSIDIZED EMPLOYEES IN 1975 BY SIZE OF FIRM
(In Percentages)

Number of Subsidized Employees Hired in 1975	Number of Full-time Employees		
	1-10	11-50	51+
None	23.1	20.6	59.1
One	50.0	50.0	13.6
Two or more	26.8	29.4	27.2
(N)	(26)	(34)	(22)

TABLE 6

HIRING OF VOUCHER OJT CLIENTS BY SUBSIDIZED EMPLOYEES IN 1975
(In Percentages)

Hired Voucher OJT Client	Number of Subsidized Employees Hired in 1975		
	None	One	Two or More
Yes	4[a]	75.8	43.5
No	96	24.2	56.5
(N)	(25)	(33)	(23)

[a]This was a VOJT client hired without subsidy by the employer.

Some indirect evidence that the voucher OJT program may, indeed, be tapping some previously underutilized job sources is provided by the finding in Table 6 that the majority of the hiring employers hired only one subsidized employee, the voucher OJT client. Furthermore, the type of firms being tapped (smaller sized firms) often provide work contexts

where WIN clients "work out particularly satisfactorily and are productive, relatively problem-free employees. . . (Roessner and Hamilton, 1971: 192)." However, the tendency of WIN OJT clients to be placed in the smallest firms is not attributable to vouchering. Data from the clients, themselves, showed that there was virtually no difference between voucher and regular WIN OJT clients in the size of the hiring firms, with about half of both groups being placed in the smallest firms (Dunning, 1978: Table 13).

Financial Incentives for Hiring WIN Clients

An important concern in the development of the national WIN program was providing financial incentives for employers so that they would be induced to hire WIN clients. Indications of the perceived effectiveness in Portland of the two financial incentives, the WIN tax credit and the direct salary reimbursement, are given in Tables 7 and 8. As can be seen from Table 7, employers were equally divided on whether or not a tax credit was an incentive for hiring. Surprisingly, those employers who did not hire a voucher OJT client were somewhat more favorable (57.8%) than those who did hire (47.4%). This more or less "luke-warm" response to the tax credit is congruent with findings from other demonstration projects funded by the Department of Labor which have found the following:

> ...tax credits do not appear to function as a significant hiring incentive. Employers appear to place greater emphasis on the qualifications of workers than on any tax credit attached to worker salaries (Employment and Training Report of the President, 1977: 62).

TABLE 7

INCENTIVES FOR HIRING: TAX CREDIT
(In Percentages)

Tax Credit Incentive For Hiring VOJT Client	Hired Voucher OJT Client	
	Yes	No
Yes	47.4	57.8
No	52.6	42.2
(N)	(38)	(45)

TABLE 8

INCENTIVES FOR HIRING: SALARY REIMBURSEMENT
(In Percentages)

Salary Reimbursement an Incentive for Hiring VOJT Client	Hired Voucher OJT Client	
	Yes	No
Yes	94.7	71.7
No	5.3	28.3
(N)	(38)	(46)

With respect to the salary reimbursement incentive, Table 8 shows that both groups of employer respondents were overwhelmingly favorable, but that those who hired voucher OJT clients were considerably more favorable (94.7%) than those who did not hire (71.7%). Apparently, having the opportunity for receiving cash directly from WIN is more of a hiring incentive than the much more indirect compensation resulting from reductions in an employer's end-of-the-year tax liability.

Employers' Confidence in the Voucher Process

An additional concern in the design of the program was assessing the orientation of prospective employers to some of the notions underlying the voucher approach to obtaining manpower training. Specifically, would prospective employers have sufficient confidence in the ability of the voucher OJT client to pursue his own employment interests and make appropriate decision about both career fields and employers so that the employers would be willing to negotiate directly with the voucher OJT client in the hiring process? Although the phrasing of questions was perhaps not direct, their purpose was also to measure the extent to which employers would be willing to waive agency screening. With respect to the issue of who should select the voucher client's occupation, there was virtually no difference

of opinion between employers who hired and did not hire voucher OJT clients (Table 9). Only a fifth of the employers in both groups thought that WIN should choose the client's occupation.

TABLE 9

CHOICE OF VOUCHER CLIENT'S OCCUPATION
(In Percentages)

Who Should Choose Client's Occupation	Hired Voucher OJT Client	
	Yes	No
Agency	21.0	21.7
Client	42.1	50.0
Both	36.8	28.3
(N)	(38)	(46)

There was, however, a difference of opinion among employers about both who should choose the voucher OJT client's employer and who should screen clients prior to their initial contact with a prospective employer. Although the majority of all employer respondents favored client participation in employer choice, those who actually hired voucher OJT clients were more favorable toward a joint client-agency selection process and less inclined toward agency determination (Table 10). However, when it came to initiating the actual contact with the employer who had been selected by the client and/or the agency, the majority of respondents preferred to see some screening done by the agency. Surprisingly, this preference was stronger among those who had hired vouchered trainees than those who had not (Table 11). It is not clear why there would be this seeming paradox, though it may, indeed, reflect some bad experiences on the part of hiring employers. Since the bulk of the hiring employers had hired only one subsidized employee in 1975 (Table 6), this finding may also reflect some uneasiness in dealing with welfare clients due to their limited experience with the screening process for such employees.

TABLE 10

CHOICE OF VOUCHER CLIENT'S EMPLOYER
(In Percentages)

Who Should Choose Client's Employer	Hired Voucher OJT Client	
	Yes	No
Agency	13.5	24.4
Client	40.5	46.7
Both.	46.0	28.9
(N)	(37)	(45)

TABLE 11

WHO SHOULD SCREEN VOUCHER OJT CLIENTS
(In Percentages)

Who Should Screen All Voucher OJT Clients	Hired Voucher OJT Client	
	Yes	No
Agency (WIN)	78.4	56.3
Client Him/Herself	18.9	35.4
Both	2.7	8.3
(N)	(27)	(48)

For all employers responding to the survey, more than forty percent indicated that they believed clients were able to choose both occupations and employers as well as WIN staff could. In short, the employers surveyed here were quite receptive to the notion of welfare recipients being able to select jobs and negotiate with prospective employers to obtain the OJT necessary for gaining employment in that job.

Hiring Employers' Responses by Client's Sex

Finally, an effort was made to determine the extent to which employers reacted differently to voucher OJT clients by sex. In this segment of the data analysis, only the forty employers who actually hired voucher OJT clients are included. In one area, creation of special jobs (e.g., slots created for the particular client that would not have existed otherwise), employers did not differ in their practices according the sex of the voucher OJT client hired (Table 12).

TABLE 12

CREATION OF SPECIAL JOBS BY HIRED CLIENT'S SEX
(In Percentages)

Special Job Created for Client	Sex of Client	
	Male	Female
Yes	31.6	26.3
No	68.4	73.7
(N)	(19)	(19)

However, in the approach of the voucher client to the employer and in the employer's assessment of the reasonableness of the client's salary, there were marked differences reported by the employing respondents according to the sex of the voucher OJT client hired. Male clients were much more likely (87.5%) than female clients (58.8%) to go directly to the employer; WIN staff interceded for a third of the female clients (Table 13). This finding provides evidence that the voucher concept worked much better for male than for female OJT clients. For almost half of the female WIN clients hired by this group of employers, "regular" and "voucher" OJT programs were virtually indistinguishable, because both entailed agency intervention in the employer selection process. Pressures on WIN staff to maintain high client placement rates may have led staff to attempt intervention on behalf of voucher clients (see Greenhouse, 1977, for an analysis of these pressures). If so, it appears that female voucher OJT clients were more likely to embrace such agency intervention in the job search process than were their male counterparts.

TABLE 13

APPROACH TO EMPLOYER BY HIRED CLIENT'S SEX
(In Percentages)

How Client Chose Employer	Sex of Client	
	Male	Female
Client Direct to Employer.	87.5	58.8
WIN Interceded	6.3	35.3
Other.	6.3	5.9
(N)	(16)	(17)

Employers were also considerably more likely to say that the starting wage minimum for males (75%) was too low than they were to make the same assessment about the female clients (40%) they hired (Table 14). This suggests that female clients were more dependent on the agency for assistance in the commitment of vouchers than were the men. That men were perceived as receiving salaries that were too low may be a function of their entry into somewhat higher paying OJT placements than was the case for the women.

TABLE 14

ACCEPTABILITY OF STARTING WAGE BY HIRED CLIENT'S SEX
(In Percentages)

Acceptability of Starting Wage Rate Minimum ($2.40)	Sex of Client	
	Male	Female
Too low.	75.0	40.0
About right.	25.0	45.0
Too high	-	15.0
(N)	(20)	(20)

Implications

In general, the employers responding to this survey in Portland tended to be receptive to the concept of vouchering OJT for welfare recipients, a receptivity that is apparently greater than had been assumed by WIN staff and policy makers. There were few significant differences in the orientations of those respondents who hired voucher OJT clients and those who did not hire. In fact, employers who did not hire seemed even a bit more favorable to client autonomy in the vouchering process than did their hiring counterparts. Where differences did occur, they seemed to be rather a function of the organizational characteristics of the employer's firm. The largest firms, as a group, were the least receptive to hiring voucher OJT clients, while the smallest firms were the most receptive. To the extent that the voucher OJT program contributed to increased employment opportunities and potentially greater job success of clients by leading to the selection of smaller employers, the program can be said to be successful.

On the other hand, vouchering did not appear to result in the uncovering of new employment opportunities by the voucher client serving as something of a "recruiter" while engaged in the job search process. Most employers responding to this survey had, indeed, had prior experience of some sort with subsidized employees. Voucher clients may, however, have identified employment sources that would not have otherwise been utilized during the tight economic period of 1975, since more than half were the only subsidized employees hired by their respective employers during 1975.

Of course, Portland WIN staff may have counseled voucher OJT clients who came to them for various services in the direction of employers with whom the staff member had had some prior contact. The fact that the WIN office did negotiate directly with some employers on behalf of a substantial group of female voucher OJT recipients (contrary to the program's intended design) lends some support to this interpretation. It also underscores the problematic nature of implementing new program structures within already existing agency frameworks.

In sum, employers in Portland can be said to be moderately supportive of the WIN voucher OJT program carried out there. They seemed willing to accept the legitimacy of the vouchering concept, and to believe that WIN clients were capable of making informed occupation and employment setting choices. With regard to client autonomy, employers seemed to prefer some sort of WIN screening in advance of their contact with the voucher OJT client. This suggests that some variations of client and joint client/agency approaches to establishing job placements for voucher OJT recipients are desirable for such programs.

One additional problem for the implementation of voucher manpower programs is the relatively low receptivity of employers from large firms to hiring voucher OJT recipients that appears in the Portland data. It would seem that any large-scale implementation of vouchering for manpower training of welfare recipients will be very difficult unless those employers with the largest numbers of potential job slots become more willing to hire voucher clients. Apparently, the larger and more bureaucratic the firm, the less amenable individuals responsible for personnel recruitment and hiring are to the direct screening of WIN clients without prior agency referral.

Finally, employer receptivity to the hiring of WIN voucher OJT clients is only one of many concerns in the evaluation of the Portland experiment. Readers interested in other concerns are referred to reports dealing with OJT client ability to handle vouchering, including their success in finding and completing training (Dunning, 1978, Myint, 1978); and resistance on the part of WIN staff to learning new roles and reward structures (Greenhouse, 1977).

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